

IMAC QA Subcommittee Meeting Minutes

February 23, 2004

Members Present: John Haine, Lisa Hanson, Pam Lohaus, DHFS; Kathy Judd, Chris Elms, Dane County; Jackie Bennett, Racine County

Via Conference Call: Joanne Ator, Door County; Lorie Mueller, La Crosse County; Jacaie Coutant, Milwaukee County; Marilyn Rudd, Vicki Jessup, Rick Zynda, DHFS

Unable to Attend: Marcia Williamson, Bernadette Connolly, DHFS

1. January 26, 2004 Minutes

The January minutes were reviewed. No changes or corrections - minutes approved as written.

2. Review of Handouts/Attachments

John went over the attachments sent with the agenda and minutes:

- A. Agency Preventable Error Multiplier for FFY 2003 Included in IM Contract for 2005 & Applied to FFY 2004 Sanction: Although there is no Federal penalty for FFY 2003, Wisconsin was over the national average. If Wisconsin is over the national average again in FFY 2004, FNS will levy a penalty against the state. John calculated the multiplier that would be used for the 2005 IM Contract using the FFY 2003 error rate and the new Federal penalty formula.
 - The multiplier would go down to \$40 per dollar error.
 - In the past, a 3 year average was used to determine the yearly multiplier, however based on the new formula, John expects to recalculate the multiplier using only yearly error data.
- B. Analysis of Wisconsin Sanction Estimates Using 2003 Farm Bill Methodology: Using the changes to the error penalty contained in the 2003 Farm Bill, John recalculated error penalties for FFY 2001 through 2004 as a comparison.
 - The penalty amount that could have been levied against the state was substantially less for each of the four years.

The current overall error rate for Wisconsin is 6.5%. Milwaukee only error rate is 8.5% while the balance of state error rate is 3.5%. He also provided a break-down of current error data by type for October through December 2003.

- Of the current errors found during this time period, the ratio of client error to agency preventable error appears to be shifting. Non-APE error accounts for 39% while APE errors total 62.5% - indicating a potentially increased agency liability in the event of any future sanction penalties.

- C. Errors by Type for the Current Data in Newman (November & December are not Completed): This handout itemizes all of the errors identified to date, including the type of error, the dollar amount of error and potential penalty.

3. Continuing Discussion Regarding Error Type Designation (APE, AGY, Client, CARES)

The committee discussed a number of alternatives to the current APE designation process currently used to determine sanction pass-through. The discussion evolved to itemize a brain-storming list of all potential approaches to sanction liability, including no agency liability at all. While some committee members believe fiscal considerations should not drive the final committee recommendation, the local agency investment toward IM Administration, including the investment of additional county levy was discussed. In a short poll of local agency committee members, it was identified that Dane, Racine and Door counties contribute county levy dollars to IM Administration while Milwaukee and La Crosse do not. (Note: Milwaukee removed county levy from IM Administration within the past year).

The alternatives to current APE designation listed in order of discussion included:

- A. Credit agencies for additional error reduction activities beyond the 2nd party review system – e.g. error reduction training initiatives, changes in operational procedures, etc
- B. Include language in the county-state IM Contract to require agencies to have a strong corrective action plan to include
 - Requirement for the agency to adjust the plan as needed throughout the year to respond to needed error reduction activities
 - Provision for the plan to be monitored throughout the year
 - Fiscal penalties for not following-through on the corrective action plan
 - The fiscal penalty could be structured around the APE multiplier penalty
- C. No pass-through at all
- D. Pass through the entire penalty based on dollar errors per county
- E. Pass through a percentage of agency preventable errors across the board (e.g. 60%)
- F. Remove the APE designation and pass a percentage to local agencies
 - Split the error liability between the state and local agencies (e.g. 40/60%)
 - Pass on a proportionate share of the local agency sanction amount to each agency based on percentage of IMA allocation.
- G. Assess a dollar multiplier per error without regard to APE and pass the sanction through if the local agency fails to correct the error in a timely fashion (similar to the targeted case review system methodology in the past)
 - Identify a corrective action plan at the point a penalty is assessed. The penalty would be passed through if The agency fails to meet error rate reduction levels, or
 - The agency fails to meet a component contained in the corrective action plan
- H. Require a corrective plan for Milwaukee County only because the county accounts for over 50% of the error rate.

Potential Components of a Payment Accuracy Plan:

- A. Develop a standardized tool for monitoring the plan
- B. Target a state-wide process to measure the effectiveness of error reduction initiatives.
- C. Reassess client/non-client designation and restructure the pass-through formula

☒ Committee vote to the question: Do you believe there should be at least some fiscal sanction FS error pass-through to local agencies?

- 7 Yes
- 4 No

Further discussion of this topic will continue at the next QA Committee meeting.

4. MA QC Process (Administrator's Memo 03-11)

MAQC process was included as part of the local agency QA plan to begin collecting some baseline data on MA program payment accuracy. The formal requirement comes on the heels of an MAQC project conducted by DHFS as well as the LAB MA review currently in final analysis. An email to CARES Coordinators indicated additional information will follow to instruct local agencies how to conduct and report MAQC reviews to obtain the most consistent data collection on MA errors impacting eligibility and/or fiscal error. Input and recommendations were submitted by the committee on various elements of the process.

A. MA Only sample listing

- The follow-up email to Adm. Memo 03-11 stated that DHFS will pull the MA QC sample listing for local agencies.
- MA QC case types for review will vary in assorted program types and categories (i.e. Family-related cases, EBD-related cases, BadgerCare, FFU, Nursing Home, MAPP, etc.)
- A recommendation agreed to by this committee was to pull only one type of MA category per month for the local agency listing and rotate the program types/categories throughout the year.
- Vicki reported having the advantage of looking at cases for the DHFS MAQC long enough after the application to have the quarter of wage data following the application available for the review. This enabled her to identify client error by either under reporting wages or failing to report changes as required. Our recommendation was to pull the sample lists from applications submitted prior to the most recent wage reporting period to capture client reporting errors.

B. Review Process

- DHFS will need to identify the purpose of the MAQC review for local agencies that the intent is to review both worker process and client reporting.
- DHFS must also identify the parameters of the review itself. For example, the review should identify if the person was under or over certified based on the fiscal impact to either the client or the state. The review process should focus on whether or not the person was properly found eligible or ineligible, and whether there is a cost-share error (i.e. deductible amount, premium payment, patient liability, etc.)
- Describe the expectation that employer verification may be needed based on the result of the wage query (or other 3rd party sources available). 3rd party verification is not currently a part of the FS 2nd party review process. This is a change in perspective for local agencies.
- Describe the circumstances under which 3rd party verification would be needed as a part of the review process.

- The process for obtaining 3rd party verification must also be addressed. The agency will need direction as to when 3rd party verification is required and how to go about obtaining that information to comply with confidentiality and release of information requirements.
- Clear direction related to the MAQC process as it relates to self-declaration.

C. Standard Format

- DHFS will develop a standard format for reporting MA QC findings
- Adding MAQC to Newman is currently cost-prohibitive, so an alternate method must be developed
- Electronic form will be completed for each case by the local agency and emailed to DHFS
- DHFS will develop an Excel spread-sheet to document local agency findings
- MA QC data will be shared with each agency

5. Other issues

- DHFS intends forming a report or reports on WebI for FS QA purposes. With the change in the type of reviews targeted for 2nd party review as directed by Adm. Memo 03-11, a standard report would be used by agencies to pull cases without having to develop their own. This would alleviate the need for all local agencies to duplicate the process that could be completed in one step at DHFS, especially given the varying levels of WebI competency and knowledge among all of the local agencies.
- Jackie Bennett distributed a committee list with some updates. County agency staff information on the list is correct, contact information for many of the DHFS members is not. Please forward corrections to Jacquelyn.Bennett@goRacine.org as soon as possible so the updated list can be posted on the QA Subcommittee website.

Next meeting: Monday, March 22, 2004

Submitted by: Jackie Bennett